

AMENDED IN SENATE AUGUST 14, 2006
AMENDED IN SENATE JUNE 13, 2006
AMENDED IN SENATE JULY 7, 2005
AMENDED IN ASSEMBLY MAY 26, 2005
AMENDED IN ASSEMBLY APRIL 11, 2005
AMENDED IN ASSEMBLY FEBRUARY 7, 2005
CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 84

Introduced by Assembly Members Leslie and Laird

January 5, 2005

An act to add Section 5060.1 to, and to add Article 8.6 (commencing with Section 5151) to Chapter 1 of Division 1 of, the Vehicle Code, relating to vehicles, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 84, as amended, Leslie. Vehicles: specialized license plates.

Existing law requires the Department of Motor Vehicles to issue certain special interest license plates, including specific special environmental design license plates, in accordance with a specified procedure. Existing law requires, before special interest license plates may be issued, at least 7,500 applications for the special interest license plates to be received by the department.

This bill would prohibit the department from accepting an application for participation in a special interest license plate program

and from issuing license plates for a new special interest license plate program.

The bill would establish a new specialized license plate program that would require the issuance of those license plates to have a design or contain a message that publicizes or promotes a state agency, as defined, or the official policy, mission, or work of a state agency. The bill would subject the issuance of those license plates to requirements, similar to certain of the requirements in current law governing special interest license plates. *The bill would prohibit the department from issuing specialized license plates for state vehicles that are exempt from paying registration fees.* The bill would require the department, after deducting its administrative costs under these provisions, to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of the specialized license plates in the Specialized License Plate Fund, which the bill would establish in the State Treasury. ~~All money in the fund would be continuously appropriated to the Controller for allocation~~ *Upon appropriation by the Legislature, the moneys in that fund would be allocated to each sponsoring agency, in proportion to the amount in the fund that is attributable to the agency's specialized license plate program.* The bill would *also* require the sponsoring agency to expend all funds received under these provisions exclusively for projects and programs that promote the state ~~or local~~ agency's official policy, mission, or work, *except as specified, and would penalize the sponsoring agency that did not comply with those requirements.* ~~This bill would prohibit the department from issuing specified license plates for state vehicles that are exempt from paying registration fees.~~

Vote: majority. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The United States District Court for the Eastern District of
- 4 California in *The Women's Resource Network v. Steven Gourley*
- 5 (2004) 305 F. Supp. 2d 1145 permanently enjoined the Director
- 6 of the California Department of Motor Vehicles from issuing any
- 7 new special interest license plate to private, nonprofit
- 8 organizations under the current provisions of Section 5060 of the

1 California Vehicle Code, unless the state establishes “neutral
2 criteria to ~~ensure that the plate~~ *insure that the [plate]* licensing
3 decision is not based on the content or viewpoint of the speech
4 being considered.”

5 (b) The court did not enjoin the Director of the Department of
6 Motor Vehicles from issuing ~~any~~ a special interest license plate
7 that is government speech that promotes California’s state
8 policies.

9 (c) This bill intends to clarify the framework for specialized
10 license plates that contain only government speech, leaving the
11 issue of special interest license plates designed for the benefit of
12 private entities to other legislation.

13 (d) Revenue generated from special license plate programs
14 provides a positive way to supplement funding for important
15 governmental programs without ~~any~~ cost to the General Fund or
16 an increase in taxes.

17 SEC. 2. Section 5060.1 is added to the Vehicle Code, to read:

18 5060.1. Notwithstanding Section 5060 or any other provision
19 of law to the contrary, the department shall not accept an
20 application for participation in a special interest license plate
21 program under Section 5060 and shall not issue, under Section
22 5060, special interest license plates for a new program.

23 SEC. 3. Article 8.6 (commencing with Section 5151) is added
24 to Chapter 1 of Division 1 of the Vehicle Code, to read:

25
26 Article 8.6. Specialized License Plates
27

28 5151. (a) As used in this article, ~~“State~~ “*state agency*” means
29 a state office, officer, department, division, bureau, board, or
30 commission, or any other state body or agency.

31 (b) It is the intent of the Legislature that this article contain the
32 authority for specialized license plates for state agencies.

33 5152. A person described in Section 5101 may apply for a
34 specialized license plate under this article, in lieu of regular
35 license plates.

36 5154. Specialized license plates issued under this article shall
37 have a design or contain a message that publicizes or promotes a
38 state agency, or the official policy, mission, or work of a state
39 agency.

1 5155. The design criteria for a specialized license plate are as
2 follows:

3 (a) The license plate for a passenger vehicle, commercial
4 vehicle, or trailer shall provide a space not larger than two inches
5 by three inches to the left of the numerical series and a space not
6 larger than five-eighths of an inch in height below the numerical
7 series for a distinctive design, decal, or descriptive message as
8 authorized by this article. The license plates shall be issued in
9 sequential numerical order or, pursuant to Section 5103, in a
10 combination of numbers or letters.

11 (b) Specialized license plates authorized under this article may
12 be issued for use on a motorcycle. That license plate shall contain
13 a five-digit configuration issued in sequential numerical order or,
14 pursuant to Section 5103, in a combination of numbers or letters.
15 There shall be a space to the left of the numerical series for a
16 distinctive design or decal and the characters shall contrast
17 sharply with the uniform background color. A motorcycle plate
18 containing a full plate graphic design is not authorized.

19 (c) Specialized license plates may be issued as environmental
20 license plates, as defined in Section 5103.

21 5156. (a) (1) A state agency may apply to the department to
22 sponsor a specialized license plate program, and the department
23 shall issue specialized license plates for that program, if the
24 agency complies with all of the requirements of this article.

25 (2) The department shall not issue specialized license plates to
26 a state agency for a vehicle that is exempt from the payment of
27 registration fees pursuant to Section 9101 or 9103.

28 (b) The department shall not establish a specialized license
29 plate program for an agency until the department has received
30 not less than 7,500 applications for that agency's specialized
31 license plates. The agency shall collect and hold applications for
32 the plates. Once the agency has received at least 7,500
33 applications, it shall submit the applications, along with the
34 necessary fees, to the department. The department shall not issue
35 a specialized license plate until the agency has received and
36 submitted to the department not less than 7,500 applications for
37 that particular specialized license plate within the time period
38 prescribed in this section. Advance payment to the department by
39 the agency representing the department's estimated or actual
40 administrative costs associated with the issuance of a particular

1 specialized license plate shall not constitute compliance with this
2 requirement. The agency shall have 12 months, following the
3 date of approval of the agency's initial application to sponsor a
4 specialized license plate program, to receive the required number
5 of applications. If, after that 12 months, 7,500 applications have
6 not been received, the agency shall immediately do either of the
7 following:

8 (1) Refund to all applicants all fees or deposits that have been
9 collected.

10 (2) Contact the department to indicate the agency's intent to
11 undertake collection of additional applications and fees or
12 deposits for an additional period, not to exceed 12 months, in
13 order to obtain the minimum 7,500 applications. If the agency
14 elects to exercise the option under this subparagraph, it shall
15 contact each applicant who has submitted an application with the
16 appropriate fees or deposits to determine if the applicant wishes a
17 refund of fees or deposits or requests the continuance of the
18 holding of the application and fees or deposits until that time that
19 the agency has received 7,500 applications. The agency shall
20 refund the fees or deposits to an applicant so requesting. The
21 agency shall not collect and hold applications for a period
22 exceeding 24 months following the date of approval of the
23 agency's initial application to sponsor a specialized license plate
24 program.

25 (c) (1) If the number of outstanding and valid specialized
26 license plates in ~~any~~ a particular program provided for in this
27 article is less than 7,500, the department shall notify the
28 sponsoring agency of that fact and shall inform the agency that if
29 that number is less than 7,500 one year from the date of that
30 notification, the department will no longer issue or replace those
31 specialized license plates.

32 (2) Those particular specialized license plates that were issued
33 prior to the discontinuation provided by paragraph (1) may
34 continue to be used and attached to the vehicle for which they
35 were issued and may be renewed, retained, or transferred
36 pursuant to this code.

37 5157. (a) In addition to the regular fees for an original
38 registration or renewal of registration, the following additional
39 fees shall be paid for the issuance, renewal, or transfer of the
40 specialized license plates:

1 (1) For the original issuance of the plates, fifty dollars (\$50).

2 (2) For a renewal of registration with the plates, forty dollars
3 (\$40).

4 (3) For transfer of the plates to another vehicle, fifteen dollars
5 (\$15).

6 (4) For each substitute replacement plate, thirty-five dollars
7 (\$35).

8 (5) In addition, for the issuance of environmental license
9 plates, as defined in Section 5103, with a specialized license
10 plate design, the additional fees prescribed in Sections 5106 and
11 5108. The additional fees prescribed in Sections 5106 and 5108
12 shall be deposited in the California Environmental License Plate
13 Fund.

14 (b) Except as provided in paragraph (5) of subdivision (a), and
15 after deducting its administrative costs under this section, the
16 department shall deposit the additional revenue derived from the
17 issuance, renewal, transfer, and substitution of the specialized
18 license plates in the Specialized License Plate Fund, which is
19 hereby established in the State Treasury. ~~Notwithstanding~~
20 ~~Section 13340 of the Government Code, all money in the fund is~~
21 ~~hereby continuously appropriated, without regard to fiscal years,~~
22 ~~to the Controller for allocation to each sponsoring agency, in~~
23 ~~proportion to the amount in the fund that is attributable to the~~
24 ~~agency's specialized license plate program. Upon appropriation~~
25 ~~by the Legislature, the moneys in that fund shall be allocated to~~
26 ~~each sponsoring agency, in proportion to the amount in the fund~~
27 ~~that is attributable to the agency's specialized license plate~~
28 ~~program.~~ Except as authorized under Section 5159, the
29 sponsoring agency shall expend all funds received under this
30 section exclusively for projects and programs that promote the
31 state agency's official policy, mission, or work.

32 5158. When payment of renewal fees is not required as
33 specified in Section 4000, or when a person determines to retain
34 the specialized license plate upon a sale, trade, or other release of
35 the vehicle upon which the plate has been displayed, the person
36 shall notify the department and the person may retain and use the
37 plate as authorized by ~~department~~ *departmental* regulations.

38 5159. A state agency that is eligible to participate in a
39 specialized license plate program pursuant to this article and
40 receives funds from the additional fees collected from the sale of

1 specialized plates shall not expend annually more than 25 percent
2 of those funds on administrative costs, marketing, or other
3 promotional activities associated with encouraging application
4 for, or renewal of, the specialized plates.

5 5160. (a) A state agency authorized under this article to offer
6 specialized license plates shall prepare and submit an annual
7 accounting report to the department by June 30. The report shall
8 include an accounting of all revenues and expenditures
9 associated with the specialized license plate program.

10 (b) If a state agency submits a report pursuant to subdivision
11 (a) indicating that the agency violated the expenditure restriction
12 set forth in Section 5159, the department shall immediately cease
13 depositing fees for that agency's specialized license plate
14 program in the Specialized License Plate Fund established under
15 Section 5157 and, instead, shall deposit those fees that would
16 have otherwise been deposited in that fund in a separate fund
17 created by the Controller, which fund is subject to appropriation
18 by the Legislature. The department shall immediately notify the
19 agency of this course of action. The depositing of funds in the
20 account established pursuant to this paragraph shall continue
21 until the agency demonstrates to the satisfaction of the
22 department that the agency is in compliance or will comply with
23 the requirements of Section 5159. If one year from the date that
24 the agency receives the notice described in this paragraph, the
25 agency is still unable to satisfactorily demonstrate to the
26 department that it is in compliance or will comply with the
27 requirements of Section 5159, the department shall no longer
28 issue or replace those specialized license plates associated with
29 that agency. Those particular specialized license plates that were
30 issued prior to the discontinuation provided by this subdivision
31 may continue to be used and attached to the vehicle for which
32 they were issued and may be renewed, retained, or transferred
33 pursuant to this code.

34 (c) Upon receiving the reports required under subdivision (a),
35 *notwithstanding Section 7550.5 of the Government Code*, the
36 department shall prepare and transmit an annual consolidated
37 report to the Legislature containing the revenue and expenditure
38 data.

39 SEC. 4. (a) If Senate Bill 651 is not enacted during the
40 2005–06 Regular Session, or is enacted during that session but

1 does not establish a special interest license plate program,
2 Sections 2 and 3 of this act shall become operative on the
3 effective date of this act.

4 (b) If Senate Bill 651 is enacted during the 2005–06 Regular
5 Session and establishes a special interest license plate program,
6 Sections 2 and 3 of this act shall not become operative, except as
7 required under subdivision (c).

8 (c) If Senate Bill 651 is enacted during the 2005–06 Regular
9 Session and establishes a special interest license plate program,
10 but that program is later held to be unconstitutional, or is
11 otherwise rendered inoperative, by the final judgment of a court
12 of competent jurisdiction, Sections 2 and 3 of this act shall
13 become operative on the effective date of that judgment.